

RESOLUTION #: 2015-07-16A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS AUTHORIZING THE EXECUTION OF A SHORT TERM UNSECURED LOAN WITH TEXAS BANK AND TRUST, THAT WILL ALLOW THE CITY TO MANAGE CASH FLOW THROUGH THE END OF THE CURRENT FISCAL YEAR AND THE FIRST FEW MONTHS OF THE FOLLOWING FISCAL YEAR.

WHEREAS, the City of Overton has suffered three unexpected and unbudgeted damages to its infrastructure during the current fiscal year, due in part to the unprecedented amount of rain that has been experienced this year as well as other contributing factors; and

WHEREAS, due to the lack of reserve funds and an anticipated delay in recovering, if that is possible, the costs of one of the infrastructure repairs that had to be made; and

WHEREAS, payment for one of the repairs was covered by a loan from the OMDD but the other two projects had to be paid from current revenue; and

WHEREAS, it is necessary to secure a short term unsecured loan of one-hundred fifty thousand (\$150,000) dollars from a local commercial bank to cover the cash flow needs of the City for the last three months of the current fiscal year and the first two months of the following fiscal year.

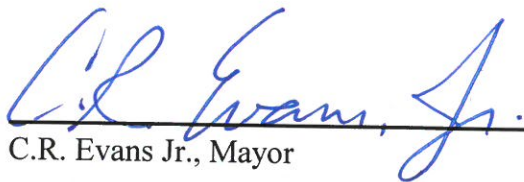
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS:

THAT the City Council hereby approves the execution of a short term nine (9) months loan agreement with Texas Bank and Trust as defined in the Loan Agreement attached hereto as Exhibit A.


AND IT IS SO RESOLVED that this resolution shall become effective **July 16, 2015**.

APPROVED AND ADOPTED by the City Council of the City of Overton, Texas on this **16th** day of July, 2015.

CITY OF OVERTON

By: 
C.R. Evans Jr., Mayor

ATTEST:


Charles Cunningham, City Manager



APPROVED AS TO FORM AND LEGALITY:



Blake Thompson, City Attorney

EXHIBIT A
(Loan Agreement)

July 13, 2015

Mr. Charles Cunningham
City Manager
City of Overton
1200 S Commerce St
Overton, TX 75684

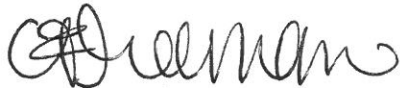
RE: Requested loan terms

Mr. Cunningham,

I have touched base with Mr. Meadows on the terms of the loan you are seeking for the City. The terms he relayed to me for a \$150,000.00 loan, for 6-9 months with interest only payments beginning in October and due monthly thereafter are as follows:

2.15%
\$100 processing fee

Thank you,



Cascey Freeman
Administrative Officer